

Message Text

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ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 PA-01 PRS-01 /092 W

----- 130418

R 091501Z APR 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1873

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 2 CAIRO 4774

E.O. 11652: GDS

TAGS: EAID, EG, JA

SUBJECT: ASSISTANCE TO EGYPT: JAPAN

REF: (A) CAIRO 4548, (B) STATE 75795

1. EMBASSY HAS RECEIVED COPY OF STATUS REPORT COVERING ASSISTANCE FROM

JAPAN WHICH WAS PROMISED TO AMBASSADOR BY PRIMIN SALEM IN APRIL 6 MEETING

(REFTEL A). TEXT IS REPRODUCED BELOW.

2. WHILE INFORMATION IS FARLY DETAILED AND UP TO DATE, WE NOTE THAT NUMBERS ARE NOT EXACTLY IN ACCORDANCE WITH EXCELENT REPORTS CONTAINED

IN TOKYO'S 4436 AND 5000. MOST SIGNIFICANT DIFFERENCE IS FACT THAT GOE HAS NON-RPROJECT LOANS TOTTALLING \$75 MILLION (ITEMS 2 AND 3 IN SUMMARY),

VICE \$50 MILLION. EMBASSY TOKYO MAY WISH TO ASCERTAIN ORIGINS OF THIS DISPARTIY, WITHOUT REVEALING TO JAPANESE THAT WE HAVE RECEIVED REPORT FROM GOE.

3. IT WOULD ALSO APPEAR THAT CONFUSION OVER WHETHER OR NOT EGYPTIANS

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ARE MOVING QUICKLY IN UTILIZING AID FROM JAPAN RESULTS TO LARGE DEGREE

E
FROM TERMINOLOGY. PRIMIN TOLD AMBASSADOR (REFTEL A) THAT ALL ASSISTAN
CE
OFFERED TO DATE HAS BEEN USED OR IS IN PROCESS OF BEING USED.
TOKYO'S 4436 REPORTED THAT GOE IS NOT OPENING L/CS FOR PURCHASES. BO
TH PARTIES MAY BE
RIGHT, BUT IT IS POSSIBLE PRIMIN DOES NOT KNOW WHAT IS REQUIRED TO OB
TAIN
COMMODITY ONCE IT IS DECIDED UPON.

4. AMBASSADOR WILL SEEK OPPORTUNITY TO PURSUE SUBJECT WITH MINECON SH
AFEI
AFTER LATTER RETURNS FROM EUROPE, WHERE HE HAS BEEN ACCOMPANYING SADA
T.

5. BEGIN TEXT (INTERNAL REPORT NUMBERING IS SHOWN AS RECEIVED, FOR
PURPOSES OF INTERNAL CONSISTENCE.)

QUOTE

LOANS EXTENDED BY JAPAN TO ARE

WE GIVE HEREUNDER THE DETAILS OF LOANS EXTENDED BY JAPAN
TO THE ARAB REPUBLIC OF EGYPT:

1. FIRST COMMODITY LOAN

3,080 MILLION YEN (APPROXIMATELY 10 MILLION U.S. DOLLARS)

A) THE LOAN AGREEMENT WE SIGNED BETWEEN THE EXPORT AND
IMPORT BANK OF JAPAN AND THE CENTRAL BANK OF EGYPT ON
JULY 31, 1973.

B) THE LOAN IS SUBJECT TO INTEREST AT THE RATE OF 4.5 PERCENT
PER ANNUM. IT SHALL BE REPAYED BY 26 HALF YEARLY
INSTALMENTS THE FIRST OF WHICH FALLS DUE ON 10.7.1980
AND THE LAST ON 10.1.1993.

C) THE LOAN WAS FULLY UTILISED FOR THE PURCHASE OF
ELECTRIC CARS FOR HELIOPOLIS METRO, TIN PLATES,
RUBBER TYRES, TELECOMMUNICATIONS CABLES, PETROLEUM
PIPES, ETC.

2. SECOND COMMODITY LOAN

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7,500 MILLION YEN (APPROXIMATELY 25 MILLION U.S. DOLLARS)

A) THE LOAN AGREEMENT WAS SIGNED BETWEEN THE OVERSEAS
ECONOMIC COOPERATION FUND OF JAPAN AND THE CENTRAL BANK
OF EGYPT ON NOVEMBER 28, 1974.

B) THE LOAN IS SUBJECT TO INTEREST AT THE RATE OF 3.5 PER CENT
PER ANNUM. IT SHALL BE REPAYED BY 37 HALF YEARLY
INSTALMENTS, THE FIRST OF WHICH FALLS DUE ON 20.11.1981
AND THE LAST ON 20.11.1999.

C) THE LOAN HAS BEEN ALLOCATED FOR THE PURCHASE OF THE FOLLOWING ITEMS:

ELECTRIC CARS AND ACCESSORIES FOR	
HELIOPOLIS METRO	1,800,000,000
ELECTRIC TRAMS FOR ALEXANDRIA PASSENGER	
TRANSPORT AUTHORITY	1,800,000,000
RUBBER TYRES	2,300,948,757
EQUIPMENT FOR CAIRO AIRPORT RADAR PROJECT	270,000,000
TELECOMMUNICATIONS CABLES	600,216,613
PETROLEUM STEEL PIPES	146,834,630
ELECTRIC CABLES	120,000,000
SEWING MACHINES FOR EADY MADE CLOTHES	162,000,000
EQUIPMENT FOR SEGWART COMPANY	300,000,000
	7,500,000,000

3. THIRD COMMODITY LOAN

15,000 MILLION YEN (APPROXIMATELY 50 MILLION U.S. DOLLARS)

(A) THE GOVERNMENTS OF JAPAN AND ARAB REPUBLIC OF EGYPT EXCHANGED THE NOTES ON OCTOBER 2, 1975.

(B) THE EXECUTIVE AGREEMENT FOR 7,500 MILLION YEN (APPROXIMATELY 25 MILLION U.S. DOLLARS) REPRESENTING THE FIRST HALF OF THE ABOVE MENTIONED LOAN WAS SIGNED BETWEEN THE OVERSEAS ECONOMIC COOPERATION FUND OF JAPAN AND THE CENTRAL BANK OF EGYPT ON 2.2.1976

(C) THE LOAN IS SUBJECT TO INTEREST AT THE RATE OF 3.5 PER CENT PER ANNUM. IT SHALL BE REPAYED BY 37 HALF YEARLY INSTALMENTS, THE FIRST OF WHICH FALLS DUE ON 20.2.1983 AND THE LAST ON 20.2.2001.

(D) THE LOAN HAS BEEN ALLOCATED FOR THE PURCHASE OF THE FOLLOWING ITEMS:

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CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

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SIL-01 L-03 H-02 PA-01 PRS-01 /092 W

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R 091301Z APR 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1874

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 2 OF 2 CAIRO 4774

AMOUNT IN

JAPANESE YEN

ELECTRIC METRO - TRAINS FOR ALEXANDRIA

TRANSPORT AUTHORITY 3,000,000,000

ELECTRIC METRO - TRAINS FOR HELIOPOLIS

COMPANY 3,000,000,000

DUCTILE CAST IRON PIPES FOR SEWERGE

AND SANITARY DRAINAGE AUTHORITY 1,500,000,000

7,500,000,000

E) THE MINISTRY OF ECONOMY REQUESTED THE EMBASSY OF JAPAN

IN CAIRO TO TAKE THE NECESSARY STEPS FOR THE SIGNATURE OF

THE EXECUTIVE AGREEMENT FOR THE REMAINING PART OF THE

AOBVE MENTIONED LOAN TO HELP FINANCE THE FOLLOWING ITEMS:

AMOUNT IN

JAPANESE YEN

RUBBER TYRES FOR MINISTRY OF TRANSPORT 2,190,000,000

ELECTRIC GENERATING UNITS FOR SEWERAGE

AND SANITARY DRAINAGE AUTHORITY 656,000,000

COMPRESSORS FOR REFRIGERATORS - IDEAL COMPANY 604,000,000

SPARE PARTS FOR MEX PUMP STATION 77,000,000

TIN PLATES FOR FOOD STUFF INDUSTRIES 300,000,000

DUCTILE CAST IRON PIPES FOR SEWERAGE

AND SANITARY DRAINAGE AUTHORITY 200,000,000

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MARITIME MOTORS FOR DEVELOPING FISHING

EQUIPMENT 73,000,000

WIRES FOR DELTA STEEL COMPANY 500,000,000

220 ROLLERS FOR THE PRODUCTION OF IRON

SLABS - IRONS STEEL COMPANY 250,000,000

PETROLEUM PIPES 400,000,000

EQUIPMENT AND ACCESSORIES FOR HELWAN

DIESEL LOCOMOTIVES 300,000,000

OIL-FILLED CABLES AND INSULATORS -

MINISTRY OF ELECTRICITY 1,950,000,000
7,500,000,000

4. LOAN FOR SUEZ CANAL ENLARGEMENT

38,000 MILLION YEN (APPROXIMATELY 140 MILLION U.S. DOLLARS)

A) THE LOAN AGREEMENT WAS SIGNED BETWEEN THE OVERSEAS ECONOMIC CORPORATION FUND OF JAPAN AND THE SUEZ CANAL AUTHORITY ON JULY 26, 1975. THE LOAN SHALL BE UTILIZED TO FINANCE THE FIRST PHASE OF THE DEEPENDING AND WIDENING OF THE SUEZ CANAL.

B) THE LOAN IS SUBJECT TO INTEREST AT THE RATE OF 3.5 PER CENT PER ANNUM. IT SHALL BE REPAYED BY 37 HALF YEARLY INSTALMENTS, THE FIRST OF WHICH FALLS DUE ON 20.7.1982 AND THE LAST ON 20.7.2000.

5) PROJECT LOAN

15,000 MILLION YEN (APPROXIMATELY 50 MILLION U.S. DOLLARS).

THE PROJECT LOAN WAS PROMISED BY THE GOVERNMENT OF JAPAN IN FEBRUARY 1974. THE EGYPTIAN GOVERNMENT REQUESTED THE GOVERNMENT OF JAPAN TO FINANCE THE FOLLOWING TWO PROJECTS OUT OF LOAN:

AMOUNT IN
JAPANESE YEN

I) EXTENSION OF CAIRO WATER SUPPLY

NETWORK 4,500,000,000

II) PORT OF ALEXANDRIA REHABILITATION 10,500,000,000
15,000,000,000

N.B.

1) EXTENSION OF CAIRO WATER SUPPLY NETWORK

THE GOVERNMENT OF JAPAN SENT A SURVEY MISSION IN DECEMBER 1974 TO MAKE A PRELIMINARY SURVEY OF THE WATER SUPPLY PROBLEMS IN CAIRO. ANOTHER MISSION WAS SENT IN NOVEMBER 1975 TO MAKE THE MASTER PLAN FOR THE WATER-SUPPLY
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SYSTEM OF CAIRO BUT IT HAS NOT YET SENT ITS DRAFT REPORT TO THE EGYPTIAN SIDE.

2) PORT OF ALEXANDRIA REHABILITATION

THE GOVERNMENT OF JAPAN SENT A REPLINARY SURVEYMISSION AT THE BEGINNING OF OCTOBER 1975. THE EMBASSY OF JAPAN HAS BEEN FURNISHED WITH A LIST OF EQUIPMENTREQUIRED FOR THE REHABILITATION OF ALEXANDRIA PORT AND WHICH SHALL BE FINANCED WITHIN THE FRAMEWORK OF THE ABOVE MENTIONED PROJECT LOAN. A JAPANESE MISSION IS NOW IN CAIRO FOR THE APPRAISAL OF THE PROJECT.

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